

FISCAL NOTE

Bill #: SB0232

Title: Transfer heritage preservation commission to Commerce

Primary Sponsor: Mahlum, D

Status: As Amended on House Floor

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:		
Proprietary (MHS)	(\$46,424)	(\$58,179)
Proprietary (DOC)	\$77,100	\$77,100
Revenue:		
Proprietary (MHS)	(\$46,424)	(\$58,179)
Proprietary (DOC)	\$77,100	\$77,100
Net Impact on General Fund Balance:	\$0	\$0

- | | |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Montana Historical Society

1. As amended, SB 232 will transfer the Montana Heritage Preservation and Development Commission from the Montana Historical Society on July 1, 2003, to the Department of Commerce for administrative purposes.
2. The MHS has budgeted in HB 2 a 6 percent overhead for \$46,424 in FY 2004 and 7.5 percent for \$58,179 in FY 2005 for the commission. The rate is applied to the expenditures of the commission's statutory budget and to total expenditures resulting from concession revenue.
3. The commission budget is statutorily appropriated and thus does not appear in the General Appropriations Act (HB 2).

Department of Commerce

4. SB 232 allows for annual negotiations for indirect administrative cost rates. Since the Director's Office / Management Services Division is funded via an internal service fund, authorized indirect cost rates for the 2005 biennium for both state and federal programs will be approved by the Legislature in the 2003 session. The DOC current FY 2003 indirect cost rates are 15.5 percent for both state and federal

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(continued)

programs, and the DOC is proposing a 15 percent indirect cost rate for state and federal programs in the 2005 biennium. Indirect costs are applied to actual personal services costs. Since indirect costs need to be applied consistently and equally throughout the agency, it is assumed the currently requested rates would be applied to the commission, just like any other supported entity within the DOC.

FISCAL IMPACT:

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
MT Historical Society - Central Services		
<u>Expenditures:</u>		
Operating Expenses	(\$46,424)	(\$58,179)
<u>Funding of Expenditures:</u>		
Proprietary (Internal Service)	(\$46,424)	(\$58,179)
<u>Revenues:</u>		
Proprietary (Internal Service)	(\$46,424)	(\$58,179)
Department of Commerce - Management Services		
<u>Expenditures:</u>		
Operating Expenses	\$77,100	\$77,100
<u>Funding of Expenditures:</u>		
Proprietary (Internal Service)	\$77,100	\$77,100
<u>Revenues:</u>		
Proprietary (Internal Service)	\$77,100	\$77,100
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
Proprietary (Internal Service)	\$0	\$0